

LEGAL NOTICE

STATE OF LOUISIANA, OFFICE OF CONSERVATION, BATON ROUGE, LOUISIANA.

In accordance with the laws of the State of Louisiana, and with particular reference to the provisions of Title 30 of Louisiana Revised Statutes of 1950, a public hearing will be held in the Hearing Room, 1st Floor, LaSalle Building, 617 North 3rd Street, Baton Rouge, Louisiana, at 9:00 a.m. on **TUESDAY, AUGUST 12, 2008**, upon the application of **INDIGO MINERALS LLC**.

At such hearing the Commissioner of Conservation will consider evidence relative to the issuance of Orders pertaining to the following matters relating to the **“C” Sand of the Cotton Valley Formation; McCrary Sand of the Cotton Valley Formation; Price Sand in the North Grambling Area; Hosston Zone, Reservoir A; and the Cotton Valley Zone, Reservoir B**, in the Ruston Field, Lincoln Parish, Louisiana.

**“C” SAND OF THE COTTON VALLEY FORMATION;
MCCRARY SAND OF THE COTTON VALLEY FORMATION;
PRICE SAND IN THE NORTH GRAMBLING AREA**

1. To dissolve the unit shown on a plat submitted with the application and designated C RA SUE, created for the “C” Sand of the Cotton Valley Formation by Office of Conservation Order No. 164-N-2, effective June 1, 1977.
2. To dissolve the unit shown on a plat submitted with the application and designated McC RA SUD, created for the McCrary Sand of the Cotton Valley Formation by Order No. 164-M-1, effective September 15, 1976.
3. To dissolve the unit shown on a plat submitted with the application and designated PR RA SUB, created for the Price Sand in the North Grambling Area by Order No. 164-H-3, effective September 15, 1976.

The “C” Sand of the Cotton Valley Formation was defined in Order No. 164-N, effective January 24, 1962.

The McCrary Sand of the Cotton Valley Formation was defined in Order No. 164-M, effective October 1, 1961.

The Price Sand in the North Grambling Area was defined in Order No. 164-H, effective September 1, 1959.

**HOSSTON ZONE, RESERVOIR A,
AND COTTON VALLEY ZONE, RESERVOIR B**

1. To create five (5) additional drilling and production units for the exploration for and production of gas and condensate from the Hosston Zone, Reservoir A.
2. To create five (5) additional drilling and production units for the exploration for and production of gas and condensate from the Cotton Valley Zone, Reservoir B.
3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within each of the proposed additional units in accordance with Section 10, Title 30, of the Louisiana Revised Statutes of 1950, with each tract sharing in unit production on a surface acreage basis of participation.
4. To designate a unit operator of, and unit wells for, the proposed additional units as may be appropriate.
5. To permit Applicant to drill, designate and utilize an alternate unit well for CV RB SUI at the location shown on the plat submitted with the application.

RUSTON FIELD
08-1135 thru 08-1139

6. To find that an alternate unit well for the proposed CV RB SUI is necessary to efficiently and economically drain a portion of the Cotton Valley Zone, Reservoir B, underlying CV RB SUI which cannot be efficiently and economically drained by any existing well within such unit.
7. To permit the operator of CV RB SUI to produce the allowable assigned to this unit from either the unit well, from the alternate unit well, or from a combination of such wells, at the option of the operator.
8. To amend the definition of the Cotton Valley Zone, Reservoir B, insofar and only insofar as to the proposed unit CV RB SUF, so as to less and except therefrom the Price Sand in the North Grambling Area, as defined in Office of Conservation Order No. 164-H, effective September 1, 1959.
9. To permit Applicant to combine downhole production from the Hosston Zone, Reservoir A, and from the Cotton Valley Zone, Reservoir B, in any well drilled on the identical units for these zones in which the interests of the parties are identical.
10. To extend, except as in conflict herewith, to the proposed additional units for the Hosston Zone, Reservoir A, the provisions of Order No. 164-CC, effective March 12, 2002, as amended and supplemented by the 164-CC Series of Orders and of all applicable Statewide Orders.
11. To extend, except as in conflict herewith, to the proposed additional units for the Cotton Valley Zone, Reservoir B, the provisions of Order No. 164-HH-1, effective September 26, 2007, and of all applicable Statewide Orders.
12. To consider such other matters as may be pertinent.

The Hosston Zone, Reservoir A was defined in Order No. 164-CC, effective March 12, 2002.

The Cotton Valley Zone, Reservoir B was defined in Order No. 164-HH-1, effective September 26, 2007.

Plats are available for inspection in the Office of Conservation in **Baton Rouge** and **Shreveport**, Louisiana.

www.dnr.state.la.us/CONS/CONSEREN/hearings/pubhearings.htm.

All parties having interest therein shall take notice thereof.

BY ORDER OF:

JAMES H. WELSH
COMMISSIONER OF CONSERVATION

Baton Rouge, LA

7/3/08;7/10/08

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IF ACCOMMODATIONS ARE REQUIRED UNDER AMERICANS WITH DISABILITIES ACT, PLEASE ADVISE THE OFFICE OF CONSERVATION-ENGINEERING DIVISION AT P.O. BOX 94275, BATON ROUGE, LA 70804-9275 IN WRITING WITHIN TEN (10) WORKING DAYS OF THE HEARING DATE.